

**ALEXANDRIA CITY COURT
ALEXANDRIA, LOUISIANA**

SEPTEMBER 30, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **APR 18 2012**

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
 GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Assets	4
Statement of Activities	5
 FUND FINANCIAL STATEMENTS	
Governmental Funds	
Balance Sheet	8
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	9
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	11
 Fiduciary Fund:	
Statement of Fiduciary Net Assets-Fiduciary Fund	13
 NOTES TO FINANCIAL STATEMENTS	 14
 Required Supplementary Information	
Budgetary Comparison Schedule	23
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	24
Schedule of Findings and Questioned Costs	26
Summary Schedule of Prior Audit Findings	28
Management's Corrective Action Plan	29



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Independent Auditor's Report

To the Honorable Judge Richard Starling, Jr
Alexandria City Court
City of Alexandria, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Alexandria City Court as of and for the year ended September 30, 2011, which collectively comprise the Alexandria City Court's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of Alexandria City Court's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Alexandria City Court, at September 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.



The CPA Never Underestimate The Value™



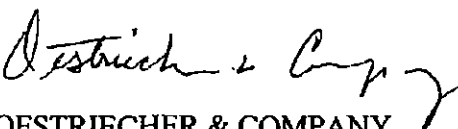
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In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2012, on our consideration of the Alexandria City Court's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The required supplementary information on page 23 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Alexandria City Court has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.


OESTRIECHER & COMPANY
Certified Public Accountants

March 16, 2012

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**Alexandria City Court
Statement of Net Assets
September 30, 2011**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash	\$ 822,977	\$ -	\$ 822,977
Investments, at cost	939,286	-	939,286
Other receivables	-	-	-
Accrued interest receivable	925	-	925
Due from Alexandria City Marshal	13,992	-	13,992
Prepaid expenses	2,004	-	2,004
Capital assets, net of accumulated depreciation	213,315	-	213,315
Total assets	\$ 1,992,499	\$ -	\$ 1,992,499
<u>Liabilities</u>			
Liabilities:			
Accounts payable	\$ 7,554	\$ -	\$ 7,554
Other liabilities	9,597	-	9,597
Total liabilities	17,151	-	17,151
<u>Net Assets</u>			
Invested in capital assets, net of related debt	213,315	-	213,315
Unassigned	1,762,033	-	1,762,033
Total net assets	\$ 1,975,348	\$ -	\$ 1,975,348

The notes to the financial statements are an integral part of this statement.

**Alexandria City Court
Statement of Activities
For The Year Ended September 30, 2011**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Operating		Primary Government		
		Charges for Services	Grants and Contributions	Capital Grants and Contributions	Governmental Business-Type	
					Activities	Activities
GOVERNMENTAL ACTIVITIES						
Primary Government						
Governmental activities						
General fund	\$ 251,994	\$ 180,127	\$ -	\$ -	\$ (71,867)	\$ (71,867)
Pretreal Intervention	140,667	228,904	-	-	88,237	88,237
Probation Fund	123,069	106,791	-	-	(16,278)	(16,278)
Maintenance Fund	-	3,480	-	-	3,480	3,480
Building Fund	99,121	88,110	-	-	(11,011)	(11,011)
Total governmental activities	<u>614,851</u>	<u>607,412</u>	<u>-</u>	<u>-</u>	<u>(7,439)</u>	<u>(7,439)</u>
Total primary government	\$ 614,851	\$ 607,412	\$ -	\$ -	\$ (7,439)	\$ (7,439)

General revenues	
Interest and investment earnings	14,999
Miscellaneous	30,258
Total general revenues and transfers	<u>45,257</u>
Change in net assets	<u>\$ 37,818</u>
Net assets-beginning of year	<u>1,937,530</u>
Net assets-ending of year	<u>\$ 1,975,348</u>

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUNDS

Balance Sheet
Governmental Funds
Alexandria City Court
September 30, 2011

	<u>General</u>	<u>Pretrial Intervention</u>	<u>Probation</u>	<u>Maintenance</u>	<u>Building</u>	<u>Total Governmental Funds</u>
<u>Assets</u>						
Cash	\$ 120,607	\$ 619,434	\$ 46,399	\$ 31,997	\$ 4,540	\$ 822,977
Investments, at cost	443,988	-	308,685	-	186,613	939,286
Accrued interest receivable	925	-	-	-	-	925
Other receivables	-	-	-	-	-	-
Prepaid expenses	-	-	2,004	-	-	2,004
Due from Alexandria City Marshal	13,992	-	-	-	-	13,992
Due from other funds	22,536	-	27,668	-	-	50,204
Total assets	\$ 602,048	\$ 619,434	\$ 384,756	\$ 31,997	\$ 191,153	\$ 1,829,388
<u>Liabilities and fund balance</u>						
Liabilities-						
Accounts payable	\$ 162	\$ -	\$ -	\$ -	\$ 7,392	\$ 7,554
Due to general fund	-	15,280	-	-	-	15,280
Due to other funds	25,707	3,420	-	-	-	29,127
Other liabilities	9,597	-	-	-	-	9,597
Total liabilities	35,466	18,700	-	-	7,392	61,558
Fund balance:						
Committed	-	600,734	384,756	31,997	183,761	1,201,248
Unassigned	566,582	-	-	-	-	566,582
Total fund balances	566,582	600,734	384,756	31,997	183,761	1,767,830
Total liabilities and fund balances	\$ 602,048	\$ 619,434	\$ 384,756	\$ 31,997	\$ 191,153	\$ 1,829,388

The notes to the financial statements are an integral part of this statement

**Reconciliation of the Balance Sheet
of Governmental Funds
to the Statement of Net Assets
September 30, 2011**

Total fund balance-total governmental funds	\$ 1,767,830
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because	
Capital assets of \$717,324 net of accumulated depreciation of (\$504,009), are not financial resources and, therefore, are not reported in the funds	\$ 213,315
Internal service funds are used by management to charge the costs of certain activities to individual funds. Assets and liabilities of the internal services funds of \$5,797 are not included in governmental activities in the statement of net assets	<u>(5,797)</u>
	<u>207,518</u>
Net assets of governmental activities	<u><u>\$ 1,975,348</u></u>

The notes to the financial statements are an integral part of this statement

**Statement of Revenues, Expenditures, and Changes
in Fund Balances-Governmental Funds
Alexandria City Court
For the year ended September 30, 2011**

	<u>General Fund</u>	<u>Pretrial Intervention</u>	<u>Probation</u>	<u>Maintenance Fund</u>	<u>Building Fund</u>	<u>Total Governmental Funds</u>
Revenues:						
Court costs	\$ 180,127	\$ 228,904	\$ 106,791	\$ 3,480	\$ 88,110	\$ 607,412
Other revenue	30,258	-	-	-	-	30,258
Interest	9,442	167	4,904	43	443	14,999
Total revenues	<u>219,827</u>	<u>229,071</u>	<u>111,695</u>	<u>3,523</u>	<u>88,553</u>	<u>652,669</u>
Expenditures						
Current						
General Fund	251,777	-	-	-	-	251,777
Pretrial intervention	-	140,667	-	-	-	140,667
Probation	-	-	117,605	-	-	117,605
Building	-	-	-	-	70,130	70,130
Capital outlay	-	-	-	-	114,460	114,460
Total expenditures	<u>251,777</u>	<u>140,667</u>	<u>117,605</u>	<u>-</u>	<u>184,590</u>	<u>694,639</u>
Excess of revenues over expenditures	(31,950)	88,404	(5,910)	3,523	(96,037)	(41,970)
Other financing sources (uses)						
Transfers (to) from other funds	-	(30,000)	30,000	-	-	-
Fund balances, beginning	<u>598,532</u>	<u>542,330</u>	<u>360,666</u>	<u>28,474</u>	<u>279,798</u>	<u>1,809,800</u>
Fund balances, ending	<u>\$ 566,582</u>	<u>\$ 600,734</u>	<u>\$ 384,756</u>	<u>\$ 31,997</u>	<u>\$ 183,761</u>	<u>\$ 1,767,830</u>

The notes to the financial statements are an integral part of this statement

**Reconciliation of the Statement of
Revenues, Expenditures, and Changes in Fund Balance
to the Statement of Activities
For the year ended September 30, 2011**

Net changes in fund balances-total governmental funds	\$ (41,970)
Amounts reported for <i>governmental activities</i> in the statement of activities are different because	
Changes in internal service fund balances	482
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense	
Capital expenditures	114,460
Depreciation expense	<u>(35,154)</u>
Change in net assets of governmental activities	<u>\$ 37,818</u>

The notes to the financial statements are an integral part of this statement

FIDUCIARY FUND

Statement of Fiduciary Net Assets-Fiduciary Fund
Alexandria City Court
September 30, 2011

	<u>Agency Funds</u>
<u>Assets</u>	
Cash	\$ 979,816
Investments, at cost	132,596
Other assets	<u>3,729</u>
Total assets	<u><u>\$1,116,141</u></u>
<u>Liabilities</u>	
Advance court costs	\$1,100,272
Forfeited bonds	4,870
Restitutions	5,202
Due to General Fund	<u>5,797</u>
Total liabilities	<u><u>\$1,116,141</u></u>

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

**Alexandria City Court
Notes to Financial Statements**

September 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are presented in conformity with generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant accounting policies affecting their presentation

Government-wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the Alexandria City Court as a whole excluding fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities from business-type activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Fund Financial Statements

Fund financial statements are provided for governmental and fiduciary funds. Major individual governmental funds are reported in separate columns.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Reporting Entity - In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in GAAP. The basic, but not only criterion, for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing

**Alexandria City Court
Notes to Financial Statements**

September 30, 2011

relationships, regardless of whether the government is able to exercise oversight responsibilities.

The Alexandria City Court is a potential component unit of the City of Alexandria, Louisiana. However, the Alexandria City Court is a separate reportable entity from the City of Alexandria because it is essentially an autonomous unit. The City Judge, an elected official, has the ability to exercise accountability for fiscal matters. The Alexandria City Court is financially independent from the City of Alexandria, Louisiana.

Governmental Funds –

General Fund - The General Fund is the general operating fund of Alexandria City Court. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Pretrial Intervention Fund – Fees are collected and used to pay for operating expenses of the Pretrial Intervention Program, which was established to help first time offenders avoid trial and pay the debt for their offense by agreeing to comply with probationary terms and paying a fee.

Probation Fund – Fees are collected and used to pay for operating expenses of the Probation Program, which was established to aid the Alexandria City Court in monitoring and compliance with probationary terms of those individuals who have been placed on probation by the judge

Building Fund – Fees are collected from each suit that comes through the court. These fees are used at the Judge's discretion to pay for building and equipment upkeep.

Maintenance Fund – Fees are collected from the Rapides Parish Driver Improvement Program. The Program uses the City Court building to conduct driver improvement classes. The funds collected are used to pay for maintenance and upkeep on the building

Alexandria City Court
Notes to Financial Statements

September 30, 2011

Fiduciary Funds –

Agency Funds - Agency funds are used to account for assets held by Alexandria City Court as an agent for other governmental departments, other organizations and other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Advance Court Costs Fund - Advance court costs are deposits made by plaintiffs who file civil suits. These deposits are recorded as a liability. The court acts only as a collection agent for fees in civil matters. As the suits are processed, the various fees earned are paid out on a monthly basis. Thus, the activity in this account is not reflected in the statement of revenues collected and expenditures paid. After a case is dismissed, any excess deposit is refunded to the plaintiff.

Garnishments Fund - The Court acts as a collection agent for garnishments when they are assessed in a civil suit. Ordinarily, the balance in this account represents amounts that have been received by the Court but have not yet been distributed to the person or agency to which they are due.

Bond Forfeiture Fund - To account for the collection and ultimate disposition of bonds posted by citizens who have been issued citations for traffic violations or arrested for criminal offenses. Bonds posted by violators are held until their cases are heard in Alexandria City Court. At that time, the bonds for persons convicted of violations are distributed to various agencies.

Restitution Fund – The Court collects restitution from persons who have been convicted of crimes. The court acts only as a collection agent for restitution funds. The restitution funds are collected and then remitted to the injured party in criminal cases.

Fund balances

Alexandria City Court adopted the provisions of GASB 54 related to the classification of governmental fund balances as September 30, 2011. The governmental fund balances are classified as follows:

**Alexandria City Court
Notes to Financial Statements**

September 30, 2011

Committed – amounts that can be used only for specific purposes as defined by law. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City of Alexandria or changes in Louisiana state law.

Unassigned – all other spendable amounts.

Basis of Accounting

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Fiduciary fund financial statements report using the same focus and basis of accounting.

Governmental fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Fiduciary fund revenues and expenses or expenditures (as appropriate) should be recognized on the basis consistent with the fund's accounting measurement objective. The Alexandria City Court has three fiduciary funds, agency funds, which are purely custodial and thus do not involve measurement of results of operations.

Cash and cash equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities less than 30 days. Under state law, the city court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments

Investments are limited by R.S. 33:2955 and the City Court's investment policy. If the original maturities of investments exceed 30 days, they are classified as investments; however, if the original maturities are 30 days or less, they are classified as cash equivalents. Investments are recorded at cost which approximates market value.

**Alexandria City Court
Notes to Financial Statements**

September 30, 2011

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. This will affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these amounts.

2 CASH AND INVESTMENTS

As of September 30, 2011 cash and cash equivalents totaled \$822,977, all of which is classified as unrestricted. Cash balances are insured to Federal Deposit Insurance Corporation limits. Alexandria City Court had no cash balances that were not adequately secured.

At September 30, 2011, the Alexandria City Court had certificates of deposit totaling \$939,826. The certificates bear interest ranging from 0.05% to 2.23% and have maturities ranging from ninety-one days to sixty months, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

3 COURT COSTS PAYABLE

These various liabilities represent charges against advance court costs deposited for each case and are based on the processing of the case by the judge and/or marshal. As activity occurs in the suit, the advance court costs account is decreased and the related liability account is decreased.

Alexandria City Court
Notes to Financial Statements

September 30, 2011

4. INTERFUND RECEIVABLES AND PAYABLES

A summary of the interfund receivables and payables by fund at September 30, 2011 is presented below.

	<u>Interfund Payables</u>	<u>Interfund Receivables</u>
Advanced Court Costs Fund	\$ 3,526	\$ 0
Bond Forfeiture Fund	0	509
Garnishments Fund	3,729	0
Restitution Fund	0	950
General Fund	25,708	22,536
Pretrial Intervention Fund	18,700	0
Probation Fund	<u>0</u>	<u>27,668</u>
	<u>\$ 51,663</u>	<u>\$ 51,663</u>

5. CAPITAL ASSETS:

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus.

All government fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

All capital assets are stated at historical cost. Historical costs include not only the purchase price and construction costs, but also ancillary charges to place the asset in its intended location and condition for use. Capital assets are depreciated using the straight-line method over their estimated useful lives.

**Alexandria City Court
Notes to Financial Statements**

September 30, 2011

Capital asset activity for the year ended September 30, 2011 was as follows.

	Balance <u>9/30/10</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>9/30/11</u>
Furniture and fixtures	\$ 155,854	\$ 2,175	\$ -0-	\$ 158,029
Office equipment	328,075	103,755	-0-	431,830
Vehicles	41,250	-0-	-0-	41,250
Building improvements	<u>77,685</u>	<u>8,530</u>	<u>-0-</u>	<u>86,215</u>
Totals	602,864	114,460	-0-	717,324
Accumulated Depreciation	<u>(468,855)</u>	<u>(35,154)</u>	<u>-0-</u>	<u>(504,009)</u>
Capital assets, net	<u>\$ 134,009</u>			<u>\$ 213,315</u>

6. COMPENSATED ABSENCES:

The Alexandria City Court's obligation for employees' rights to receive compensation for future absences (such as vacation) was not material as of September 30, 2011, and thus, is not recognized in the accompanying financial statements

7. ECONOMIC DEPENDENCY

All revenues collected for Court Costs are received from the Alexandria City Marshal's office. These monies are expended in the operation of the office of the Alexandria City Court.

8. RETIREMENT COMMITMENTS:

The Alexandria City Court contributed \$4,631 this year to the Parochial Employees' Retirement System of Louisiana on behalf of qualifying individuals employed by the Court. There were twenty-two employees of the Court of which one qualified and participated. The Court's covered payroll was \$29,400 and the total payroll for all employees was \$317,960.

The Parochial Employees' Retirement System of Louisiana required the Court to fund 15.75% for the fiscal year ended September 30, 2011. No actuarial data was available on the aforementioned retirement plan.

REQUIRED SUPPLEMENTARY INFORMATION

**Budgetary Comparison Schedule
All Governmental Fund Types
Alexandria City Court
For the year ended September 30, 2011**

	GENERAL FUND				SPECIAL REVENUE FUNDS			
	Original	Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	Original	Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues								
Court costs	\$ 200,000	\$ 200,000	\$ 180,127	\$ (19,873)	\$ 209,900	\$ 209,900	\$ 427,285	\$ 217,385
Other revenue	30,000	30,000	30,257	257	30,000	30,000	-	(30,000)
Interest	15,000	15,000	9,442	(5,558)	8,050	8,050	5,558	(2,492)
Total revenues	245,000	245,000	219,826	(25,174)	247,950	247,950	432,843	184,893
Expenditures								
Salaries and wages	155,500	155,500	142,720	12,780	144,000	144,000	175,240	(31,240)
Fringe benefits	15,500	15,500	19,936	(4,436)	127,500	127,500	10,345	117,157
Retirement expense	3,500	3,500	4,631	(1,131)	-	-	-	-
Law books	-	-	-	-	5,000	5,000	2,082	2,918
Computer services	-	-	-	-	3,000	3,000	25,660	(22,660)
Dues and subscriptions	2,000	2,000	2,302	(302)	-	-	-	-
Capital expenditures	-	-	-	-	10,000	10,000	114,460	(104,460)
Utilities	-	-	-	-	-	-	-	-
Equipment purchases	-	-	-	-	1,000	1,000	6,912	(5,912)
Equipment lease	-	-	-	-	7,000	7,000	503	6,497
Bank charges	-	-	1,555	(1,555)	300	300	662	(362)
Miscellaneous	-	-	5,762	(5,762)	-	-	6,066	(6,066)
Office supplies	12,000	12,000	12,164	(164)	3,000	3,000	514	2,486
Postage	11,500	11,500	12,303	(803)	700	700	220	480
Transfer to City of Alexandria	-	-	-	-	-	-	-	-
Repairs & maintenance	2,500	2,500	908	1,592	5,500	5,500	22,143	(16,643)
Legal & professional	12,000	12,000	11,944	56	3,000	3,000	63,745	(60,745)
Jenitorial	-	-	-	-	-	-	-	-
Computer purchase	-	-	-	-	-	-	-	-
Insurance	18,000	18,000	18,708	(708)	3,000	3,000	4,365	(1,365)
Internet service	-	-	-	-	3,500	3,500	-	3,500
Vehicle maintenance & expense	-	-	-	-	4,000	4,000	2,800	1,200
Storage	2,500	2,500	18,843	(16,343)	3,000	3,000	4,620	(4,620)
Seminars	-	-	-	-	7,500	7,500	2,150	5,350
Telephone	-	-	-	-	331,000	331,000	378	7,122
Total expenditures	235,000	235,000	251,776	(16,776)	83,050	83,050	442,863	(11,863)
Excess (deficiency) of revenues over expenditures	10,000	10,000	(31,950)	(41,950)	(43,050)	(43,050)	(10,020)	73,030
Other financing sources (uses)								
Transfers	-	-	-	-	-	-	-	-
Fund balances, beginning	598,532	598,532	598,532	-	668,938	668,938	668,938	-
Fund balances, ending	\$ 608,532	\$ 608,532	\$ 566,582	\$ 41,950	\$ 585,888	\$ 585,888	\$ 658,918	\$ (73,030)

The notes to the financial statements are an integral part of this statement



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Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Judge Richard Starling, Jr.
Alexandria City Court
Alexandria, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Alexandria City Court, as of and for the year ended September 30, 2011, and have issued our report thereon dated March 16, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Alexandria City Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Alexandria City Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Alexandria City Court's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of current and prior year findings, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

24



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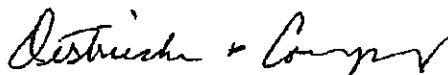
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of current and prior year findings to be material weaknesses listed as items number 2011-1 and 2011-2.

Compliance

As part of obtaining reasonable assurance about whether Alexandria City Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Alexandria City Court's response to the findings identified in our audit are described in the accompanying Management's Corrective Action Plan. We did not audit Alexandria City Court's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of management and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24.513, this report is distributed by the Legislative Auditor as a public document.



OESTRIECHER & COMPANY
Certified Public Accountants
March 16, 2012

**ALEXANDRIA CITY COURT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended September 30, 2011**

Section I-Summary of Auditor's Reports

- 1 The auditor's report expresses an unqualified opinion on the basic financial statements of Alexandria City Court
- 2 Two material weaknesses disclosed during the audit of the basic financial statements is reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- 3 No instances of noncompliance material to the basic financial statements of Alexandria City Court were disclosed during the audit.

Section II - Financial Statement Findings

Finding 2011-1

Statement of Condition – Alexandria City Court does not have adequate segregation of duties within the administrative office.

Criteria – A system of internal control procedures requires a segregation of duties so that no individual handles a transaction from start to finish

Effect of condition – Lack of oversight that could lead to improperly recorded transactions

Cause of condition –The small number of personnel employed by Alexandria City Court

Recommendation – Alexandria City Court should monitor the assignment of duties to insure as much segregation of duties as possible

Questioned costs – None

Finding 2011-2

Statement of Condition – Job description for bookkeeper does not describe all of the requirements necessary so that Alexandria City Court will hire someone with sufficient training and knowledge that has the ability to prepare financial statements in accordance with GAAP

Criteria – A reporting entity should be able to prepare financial statements in accordance with GAAP without any outside assistance

Effect of Condition – A number of audit adjustments were recorded due to the lack of experience and training by the bookkeeper. The audit firm was also required to assist management in the preparation of financial statements in accordance with GAAP.

Cause of Condition – Job description did not stipulate requirements for hiring personnel with knowledge of GAAP

Recommendation – Alexandria City Court should consider the cost/benefit of hiring additional personnel with sufficient knowledge and training

Questioned Costs – None

Section III – Federal Awards Findings and Questioned Costs

There were no federal awards

**Alexandria City Court
Summary Schedule of Prior Audit Findings
For the year ended September 30, 2011**

Section I - Internal Control and Compliance Material to the Financial Statements

Finding No. 2010-1-The Alexandria City Court does not have adequate segregation of duties within the administrative office

Corrective action taken- Condition is not resolved See Finding 2011-1

Finding No. 2010-2-The Alexandria City Court does not have a person on staff who has the qualifications and training to apply generally accepted accounting principles in recording financial transactions or preparing the financial statements

Corrective action taken- Condition is not resolved. See Finding 2011-2

Finding No. 2010-3-Duplicated receipt numbers were noted in the receipt books of the Pre-Trial Intervention Fund

Corrective action taken- Condition is resolved.

Section II - Internal Control and Compliance Material to Federal Awards

Not applicable

Section III – Federal Awards Findings and Questioned Costs

There were no federal awards

**Alexandria City Court
P.O. Box 30
Alexandria, LA 71301**

March 16, 2012

MANAGEMENT'S CORRECTIVE ACTION PLAN

Alexandria City Court respectfully submits the following corrective action plan for the year ended September 30, 2011

Name and address of contact person. Richard Starling, Jr , Alexandria City Judge, P.O. Box 30, Alexandria, Louisiana 71301

Name and address of independent public accounting firm· Oestrieher and Company, CPAs, 4641 Windermere Place, Alexandria, Louisiana 71303-3548

Audit period· October 1, 2010 through September 30, 2011.

The finding from the Schedule of Findings and Questioned Costs are discussed below. The finding is numbered consistently with the number assigned in the schedule The Summary of Audit Results does not include findings and is not addressed

FINDINGS-FINANCIAL STATEMENT AUDIT

FINDING NO. 2011-1:

Recommendation Alexandria City Court should monitor the assignment of duties to insure as much segregation of duties as possible.

Action Taken Employees will be monitored as effectively as possible with the limited staff

FINDING NO. 2011-2

Recommendation Alexandria City Court should consider the cost/benefit of hiring additional personnel with sufficient knowledge and training.

Action Taken While management understands the nature of the finding and the necessity of personnel with qualifications that are higher than our current job descriptions, the benefits of hiring personnel with increased qualifications do not outweigh the costs.